

CERTIFICATION OF ENROLLMENT

**SUBSTITUTE HOUSE BILL 1929**

Chapter 349, Laws of 2007

60th Legislature  
2007 Regular Session

UTILITIES--ENVIRONMENTAL MITIGATION

EFFECTIVE DATE: 07/22/07

Passed by the House April 14, 2007  
Yeas 92 Nays 2

FRANK CHOPP

**Speaker of the House of Representatives**

Passed by the Senate April 2, 2007  
Yeas 33 Nays 13

BRAD OWEN

**President of the Senate**

Approved May 7, 2007, 10:03 a.m.

CHRISTINE GREGOIRE

**Governor of the State of Washington**

CERTIFICATE

I, Richard Nafziger, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 1929** as passed by the House of Representatives and the Senate on the dates hereon set forth.

RICHARD NAFZIGER

**Chief Clerk**

FILED

May 8, 2007

**Secretary of State  
State of Washington**

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**SUBSTITUTE HOUSE BILL 1929**

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AS AMENDED BY THE SENATE

Passed Legislature - 2007 Regular Session

**State of Washington                      60th Legislature                      2007 Regular Session**

**By** House Committee on Technology, Energy & Communications  
(originally sponsored by Representatives Hurst, Morris and Kenney)

READ FIRST TIME 02/20/07.

1            AN ACT Relating to authorizing utilities to engage in environmental  
2 mitigation efforts; adding a new section to chapter 35.92 RCW; adding  
3 a new section to chapter 54.16 RCW; adding a new section to chapter  
4 36.01 RCW; and creating new sections.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6            NEW SECTION.    **Sec. 1.** The legislature finds and declares that  
7 greenhouse gases offset contracts, credits, and other greenhouse gases  
8 mitigation efforts are a recognized utility purpose that confers a  
9 direct benefit on the utility's ratepayers. The legislature declares  
10 that section 2 of this act is intended to reverse the result of *Okeson*  
11 *v. City of Seattle* (January 18, 2007), by expressly granting municipal  
12 utilities the statutory authority to engage in mitigation activities to  
13 offset their utility's impact on the environment.

14            NEW SECTION.    **Sec. 2.** A new section is added to chapter 35.92 RCW  
15 to read as follows:

16            (1) A city or town authorized to acquire and operate utilities for  
17 the purpose of furnishing the city or town and its inhabitants and  
18 other persons with water, with electricity for lighting and other

1 purposes, or with service from sewerage, storm water, surface water, or  
2 solid waste handling facilities, may develop and make publicly  
3 available a plan to reduce its greenhouse gases emissions or achieve  
4 no-net emissions from all sources of greenhouse gases that the utility  
5 owns, leases, uses, contracts for, or otherwise controls.

6 (2) A city or town authorized to acquire and operate utilities for  
7 the purpose of furnishing the city or town and its inhabitants and  
8 other persons with water, with electricity for lighting and other  
9 purposes, or with service from sewerage, storm water, surface water, or  
10 solid waste handling facilities, may, as part of its utility operation,  
11 mitigate the environmental impacts, such as greenhouse gases emissions,  
12 of its operation, including any power purchases. The mitigation may  
13 include, but is not limited to, those greenhouse gases mitigation  
14 mechanisms recognized by independent, qualified organizations with  
15 proven experience in emissions mitigation activities. Mitigation  
16 mechanisms may include the purchase, trade, and banking of greenhouse  
17 gases offsets or credits. If a state greenhouse gases registry is  
18 established, a utility that has purchased, traded, or banked greenhouse  
19 gases mitigation mechanisms under this section shall receive credit in  
20 the registry.

21 NEW SECTION. **Sec. 3.** The legislature finds and declares that  
22 greenhouse gases offset contracts, credits, and other greenhouse gases  
23 mitigation efforts are a recognized utility purpose that confers a  
24 direct benefit on the utility's ratepayers. The legislature declares  
25 that section 4 of this act is intended to reverse the result of *Okeson*  
26 *v. City of Seattle* (January 18, 2007), by expressly granting public  
27 utility districts the statutory authority to engage in mitigation  
28 activities to offset their utility's impact on the environment.

29 NEW SECTION. **Sec. 4.** A new section is added to chapter 54.16 RCW  
30 to read as follows:

31 (1) A public utility district may develop and make publicly  
32 available a plan for the district to reduce its greenhouse gases  
33 emissions or achieve no-net emissions from all sources of greenhouse  
34 gases that the district owns, leases, uses, contracts for, or otherwise  
35 controls.

1 (2) A public utility district may, as part of its utility  
2 operation, mitigate the environmental impacts, such as greenhouse gases  
3 emissions, of its operation and any power purchases. Mitigation may  
4 include, but is not limited to, those greenhouse gases mitigation  
5 mechanisms recognized by independent, qualified organizations with  
6 proven experience in emissions mitigation activities. Mitigation  
7 mechanisms may include the purchase, trade, and banking of greenhouse  
8 gases offsets or credits. If a state greenhouse gases registry is  
9 established, a public utility district that has purchased, traded, or  
10 banked greenhouse gases mitigation mechanisms under this section shall  
11 receive credit in the registry.

12 NEW SECTION. **Sec. 5.** The legislature finds and declares that  
13 greenhouse gases offset contracts, credits, and other greenhouse gases  
14 mitigation efforts are a recognized utility purpose that confers a  
15 direct benefit on the utility's ratepayers. The legislature also finds  
16 and declares that greenhouse gases offset contracts, credits, and other  
17 greenhouse gases mitigation efforts are a recognized purpose of other  
18 county proprietary activities that are funded by users and ratepayers,  
19 and that such mitigation efforts confer a direct benefit on such  
20 payers. The legislature declares that section 6 of this act is  
21 intended to reverse the result of *Okeson v. City of Seattle* (January  
22 18, 2007), by expressly granting counties the statutory authority to  
23 engage in mitigation activities to offset the impact on the environment  
24 of their utilities and certain other proprietary and user and ratepayer  
25 funded activities.

26 NEW SECTION. **Sec. 6.** A new section is added to chapter 36.01 RCW  
27 to read as follows:

28 (1) Any county authorized to acquire and operate utilities or  
29 conduct other proprietary or user or ratepayer funded activities may  
30 develop and make publicly available a plan for the county to reduce its  
31 greenhouse gases emissions or achieve no-net emissions from all sources  
32 of greenhouse gases that such county utility or proprietary or user or  
33 ratepayer funded activity owns, operates, leases, uses, contracts for,  
34 or otherwise controls.

35 (2) Any county authorized to acquire and operate utilities or  
36 conduct other proprietary or user or ratepayer funded activities may,

1 as part of such utility or activity, reduce or mitigate the  
2 environmental impacts, such as greenhouse gases emissions, of such  
3 utility and other proprietary or user or ratepayer funded activity.  
4 The mitigation may include, but is not limited to, all greenhouse gases  
5 mitigation mechanisms recognized by independent, qualified  
6 organizations with proven experience in emissions mitigation  
7 activities. Mitigation mechanisms may include the purchase, trade, and  
8 banking of carbon offsets or credits. Ratepayer funds, fees, or other  
9 revenue dedicated to a county utility or other proprietary or user or  
10 ratepayer funded activity may be spent to reduce or mitigate the  
11 environmental impacts of greenhouse gases emitted as a result of that  
12 function. If a state greenhouse gases registry is established, the  
13 county that has purchased, traded, or banked greenhouse gases  
14 mitigation mechanisms under this section shall receive credit in the  
15 registry.

Passed by the House April 14, 2007.

Passed by the Senate April 2, 2007.

Approved by the Governor May 7, 2007.

Filed in Office of Secretary of State May 8, 2007.